(c) what steps are contemplated by Government to unearth circulation of fake shares in stock exchanges of the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c) According to some Stock Exchanges, they have received information regarding fake shares of a few companies. Issue of fake shares is punishable under the law and the police authorities take action on receipt of specific complaints. The main responsibility for filing complaints with the police in respect of circulation of fake shares vests with with the concerned companies.

Income-tax raids on stock brokers

3732. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether the income tax authorities have conducted raids at the residences and offices of stock market brokers at Delhi, Calcutta and Madras on the 20th June, 1992;

(b) if so, the details of the incriminating documents etc., seized during the searches;

(c) whether any arrests have been made in this regard; and

(d) if so, the details thereof and other steps Government propose to take against the brokers involved?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) to (d) These searches were conducted in connection with investigations in the Harshad Mehta group. The Income-tax authorities do not have any power of arrest. However, share scrips, bank drafts, cash, incriminating books and documents and floppy diskettes have been seized and further enquiries and investigations in this regard have been taken up.

Bani officials reaction over RBIs sports vision over bank functioning

3733. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether the Government attention has been drawn to a news-item captioned "Bankers sore over attempts to shied RBI officials" as reported in the Economic Times dated 10th June, 1992;

(b) if so, whether the senior officials of a few Nationalised Banks have criticised RBI for its failure to supervise the functioning of banks;

(c) if so, the facts and details thereof; and

(d) what further steps Government propose to take to make RBI effective in supervising functioning of other banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir.

(b) Indian Banks' Association (IBA) have reported that they are not aware of any such reaction from Senior Bankers.

(c) Does not arise.

(d) The Government is considering the establishment of a high powered Supervisory Board consisting of 4 to 5 full time members, with the Governor, Reserve Bank of India as the Chairman. The Board will coordinate the work of supervision of banks, financial institutions and other financial agencies in the country. It will lay down operating guidelines, look after supervision and enforce compliance.

Instructions to banks on Higher Dividends and profits

3734. SHRI MENTAY PADMANABHAM: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Banking Division in his Ministry issued directive to all nationalised banks to ensure higher dividends and higher profits